United Nations **General Assembly**

A/C.5/54/SR.19

Distr.: General

Fifty-fourth session

Official Records

16 November 1999

Original: English

Fifth Committee

Summary record of the 19th meeting

Held at Headquarters, New York, on Friday, 29 October 1999, at 10 a.m.

Chairman: Ms. Wensley ..... (Australia)
later: Mr. Sial (Vice-Chairman) ..... (Pakistan)
later: Ms. Wensley (Chairman) ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10.05 a.m.

Agenda item 126: United Nations common system (*continued*) (A/53/688; A/54/30, A/54/434 and A/54/483; A/C.5/54/24)

1. **Mr. Corell** (Under-Secretary-General for Legal Affairs, The Legal Counsel), introducing the note by the Secretary-General on the United Nations common system (A/C.5/54/24), said that the proposed amendment to the statute of the International Civil Service Commission (ICSC) would allow the Commission and participating organizations to request advisory opinions from an ad hoc advisory panel composed of judges of the Administrative Tribunals of the United Nations and of the International Labour Organization (ILO) to be designated by the President of the respective Administrative Tribunal, and a third person chosen by those Presidents. The amendment was intended to assist both ICSC and the participating organizations in ensuring the legality of Commission decisions and recommendations prior to their implementation.

2. Under the statute of ICSC and under their own staff regulations, the executive heads of the participating organizations were legally bound to give effect to decisions of the Commission taken within its competence. They were also bound in practice, in order to preserve the integrity of the common system, to give effect to recommendations made to them directly by the Commission and to decisions based on Commission recommendations that were taken by the General Assembly. Once applied to staff, those measures could be appealed by staff members in individual cases through the internal appeals procedures and eventually to the United Nations or ILO Administrative Tribunals.

3. On a number of occasions, the Administrative Tribunals had held that decisions and recommendations of the Commission applied by executive heads to their staff had illegally deprived their staff of their rights. Consequently, the implementation of those decisions or recommendations had been overturned at great cost to the organization concerned. The ILO Administrative Tribunal had consistently stressed the responsibility of the executive heads, even where they were constrained by the statute of the Commission and by their staff regulations to apply decisions of the Commission that fell within its competence, to review such decisions before applying them.

4. While the executive head was required not to apply decisions and recommendations of the Commission if they would deprive staff of their legal rights, there was no judicial forum in which executive heads could ascertain the legality of such decisions. The problem therefore lay in allowing for an authoritative statement of the law to be made before the decision or recommendation was made, or at least before it was implemented by the participating organizations, rather than after the event, and to allow for both the Commission and individual participating organizations to call for such an authoritative statement if necessary. The proposed ad hoc advisory panel would fill that legal vacuum by providing an authoritative though not binding statement of law to guide the Commission and the executive heads of participating organizations.

5. In its annual report for 1998 (A/53/30), the ICSC had noted with satisfaction that the legal advisers of the United Nations system were examining the possibility of securing a judicial advisory opinion before a decision or recommendation regarding the common system was taken or implemented. The Commission's 1999 report stated, however, that most members had opposed the establishment of an advisory panel primarily because they saw no need for such a review mechanism, since few Commission decisions and recommendations had been successfully challenged before the Administrative Tribunals. Members had also questioned the usefulness of obtaining non-binding advisory opinions and had referred to the absence of precedents in the United Nations system. Objections had also been raised to the additional costs involved.

6. One member of the Commission had favoured the proposed amendment, provided that the requests for advisory opinions were limited to decisions that could be challenged before the Administrative Tribunals and that the ad hoc panels would be required to provide the advisory opinions within a short time-frame. The member had pointed out that there were precedents both within and outside the United Nations system, including the advisory opinions rendered by the International Court of Justice. In his view, the establishment of advisory panels would give the Commission an added means of securing the legality of decisions before they were taken or implemented.

7. The Commission's position on the proposed amendment was surprising since the motivation was to assist both ICSC and participating organizations in ensuring the legality of Commission decisions and recommendations prior to their implementation. Moreover, it was not the number of decisions that was important but the significant cost involved when a decision or

recommendation was overturned. As for the costliness of the advisory panels, it must be recalled that the panels would not be standing bodies and would be established on an ad hoc basis upon the request of the Commission or the executive head of a participating organization merely for the duration of the rendering of an advisory opinion on the particular request.

8. **Mr. Fareed** (Director, Office for Inter-Agency Affairs), introducing the note by the Secretary-General on the review of the International Civil Service Commission (A/54/483), said that the previous note by the Secretary-General on the subject (A/53/688) had not been taken up by the Committee at a formal meeting the previous year and there had therefore been no opportunity to introduce it.

9. The proposal for the review of ICSC had originated in the Secretary-General's reform programme, which highlighted the new and system-wide challenges facing the Organization and the crucial need to strengthen its human resources to enable it to respond effectively to those challenges. The proposed exercise had evolved, however, into a proposal for a broad policy-oriented review that would make recommendations for the functioning of the Commission in the overall context of the challenges facing the system in the next century and the implications for the role and functioning of the international civil service. The intent was to strengthen the capacity of the General Assembly to give effective direction to that process and to sustain it over time by ensuring that the advice it received through the Commission was the soundest possible and kept pace with the evolving needs of the system and with best practices in human resources management.

10. The underlying concern was to maintain the unity and integrity of the common system, which was being subjected to increasing strains. He was pleased to note that the Commission fully shared those objectives and concerns, thereby reinforcing the chances that the outcome of the proposed review would be supported by all parties concerned.

11. He wished to emphasize that it was for the General Assembly to decide on the proposed terms of reference for the review and on the other modalities that would best suit its needs. Underlying the proposals contained in paragraph 8 of the report was the view that the review could best be carried out by a group of eminent personalities who, in addition to their in-depth knowledge of the United Nations system, would contribute their high-level experience in public service and in the governance of international organizations and academic institutions and who commanded the shared confidence of Member States and executive heads of organizations.

12. *Mr. Sial (Pakistan), Vice-Chairman, took the Chair.*

13. **Mr. Li Taizhang** (China) said that there was need for greater representativity in the composition of ICSC, which was playing an increasingly important role as the United Nations pursued its reforms in the field of personnel management. The Commission should strengthen its coordination and cooperation with the Secretariat in the field of human resources management, including in the recommendation and selection of applicants to fill vacancies.

14. His delegation fully supported the proposals for the establishment of an integrated human resources management framework and a human resources information policy. The integrated human resources management framework was an important strategic step towards a unified, scientific and rationalized system that would enhance the Organization's efficiency and contribute to human resources management reform. The implementation of a human resources information policy would enable the common system to rapidly develop a modern system of databases and information for the management and development of its human resources.

15. **Mr. Ivaschenko** (Ukraine) said that his delegation supported the Commission's recommendations concerning the revised procedure for determining the base/floor salary scale, the proposed parameters of the base/floor salary scale for the Professional and higher categories of staff and the corresponding staff assessment scale, and the adjustment of the salary scale for the General Service staff in Paris. The Commission should make further recommendations for rectifying the current imbalances in the net remuneration margin at the D-1/D-2 grades, which would ensure competitiveness and avoid distortions in the margins of remuneration at the entry levels.

16. His delegation welcomed the Commission's increased focus on post-adjustment issues and had learned with great interest of its conclusions on the Geneva post adjustment. Given that any revision of the current post-adjustment arrangements would entail complex legal, administrative and technical consequences for the common system as a whole, the status quo should be maintained.

17. The proposed review of ICSC should be aimed at strengthening the functioning of the Commission and the review group should come up with practical recommendations for equipping ICSC to meet the challenge of maintaining the unity and integrity of the

common system. His delegation was concerned, however, at the failure to consult ICSC on the proposed amendment to its statute with a view to the establishment of ad hoc advisory panels. The proposed advisory mechanism would add little value to the Commission's work and might result in delays in the implementation of its decisions and recommendations. The organizations of the common system could obtain legal advice on the proposed decisions and recommendations of the Commission from their respective legal counsels. The General Assembly should therefore consider the potential effects on the implementation of the Commission's decisions before it took any action on the proposed amendment.

18. The Commission should be actively involved in the process of administrative reform in the Secretariat. In that connection, the Working Group on the Framework for Human Resources Management was making a useful contribution to the Organization's efforts to streamline its personnel policies and upgrade its management tools. The Working Group should look closely at the contractual arrangements for staff within the common system with a view to ensuring greater flexibility in the field of personnel management so as to meet the challenges that faced the Organization.

19. *Ms. Wensley (Australia) resumed the Chair.*

20. **Mr. Yamagiwa** (Japan) said that the common system not only allowed each participating organization to avoid otherwise burdensome administrative arrangements but also ensured equal and consistent conditions of service throughout the system, thereby eliminating unnecessary competition and differences in conditions of service among participating organizations. With regard to the General Assembly's request that the Commission should submit to it at the current session a report on the framework for human resources management, it might be more opportune for the Commission to submit the report at the fifty-fifth session, when the Fifth Committee would be dealing mainly with personnel issues.

21. While his delegation basically endorsed the issues which the Commission had identified as priorities, it wished to seek clarification of the status of such major issues as recruitment, geographical balance, gender balance, training and staff development. It noted the Commission's conclusion on the issue of post adjustment at Geneva and agreed that, for the time being, there was no benefit to be derived from pursuing the matter further.

22. On the subject of the margin and base/floor salary scale, his delegation was concerned at the continued imbalance of margin by grade. In its view, the high rate of staff separation from service, particularly among junior officials, was attributable not to the salary level but to more profound problems, including the lack of career prospects in the Organization. Even though an immediate, differentiated salary increase by grade might be preferable, the Commission's decision contained in paragraph 53 (c) of its report should be implemented on a priority basis.

23. Japan shared the concern of other Member States at the recent security situation of United Nations staff members and welcomed the entry into force of the Convention on the Safety of United Nations and Associated Personnel. Those Member States which had not already done so should become parties to the Convention as soon as possible.

24. **Mr. Nee** (United States of America) said that an effective, fair and cost-efficient system of salaries and allowances, one in which all parties had confidence, was the foundation for the cohesiveness and smooth day-to-day functioning of United Nations organizations and agencies. The Commission was the mechanism which Member States had chosen to ensure that that foundation rested on the best possible technical and professional expertise. In that regard, the Commission's responsiveness to the General Assembly was a key element in obtaining and maintaining the confidence of Member States in the system.

25. The United States was therefore disappointed with the Commission's response thus far to the General Assembly's repeated requests for it to address the anomaly of the post adjustment at Geneva. The Commission's Chairman had not shared with the Committee the full details of the technical solutions to the problem which the Commission was reported to have found. The Committee needed a statistical elaboration of what the cost-of-living indices would look like under the various scenarios discussed and the related post adjustment implications. With that data in hand, it could then look at the legal and practical challenges and decide how or whether to proceed. His delegation viewed document A/54/30 as an interim report on the topic.

26. With regard to the Secretary-General's proposed review of the Commission, the United States found the proposal contained in document A/54/483 clearly wanting in a number of respects. No reference had been made, for example, to the private sector as a possible source of information and experience. Any review body should include leading personnel managers from the private sector, particularly from large international companies with operations throughout the world, and national civil services. The proposed review must be carefully considered

by the Committee and should not be rubber stamped. His delegation also assumed that a statement of the programme budget implications of the proposal would be issued.

27. Despite the Commission's proposal to consolidate post adjustment on a no-loss/no-gain basis in accomplishing a 3.42 per cent adjustment of the base/floor salary scale, the adjustment would nevertheless have financial implications for the Organization's regular budget, principally because of the increase in allowances and other payments that were linked to the salary scale. The United States would be unable to agree to the adjustment unless the increase was absorbed within the budget level for the biennium 2000-2001 based on zero nominal growth.

28. The application of the education grant was a matter of continuing concern to his delegation. The grant should not be paid to staff members living in their home country or to staff members whose dependent children remained in their home country. The United States did not favour any expansion of that generous allowance and sought assurances that it continued not to be payable for pre-kindergarten schooling. It would also like a report on the specific controls that had been established to ensure that the grant was paid only in cases in which it would clearly facilitate the child's reassimilation into the staff member's home country, in accordance with the original purpose of the grant.

29. His delegation shared the Commission's concerns about the margin imbalance in the salary scale for Professional staff, which was unfavourable to senior managers and made it more difficult for the organizations to recruit outstanding talent at those levels. The United States would be willing to consider differentiated salary adjustments by grade on a cost-neutral basis. To minimize the problem in the future, the individual margins at each grade level should be more closely linked to the comparable grades in the comparator civil service. The Commission should also establish guidelines for the conduct of periodic position classification audits by the organizations of the common system.

30. Lastly, his delegation had reservations about the proposal to amend the statute of the Commission to permit the establishment of advisory panels to render legal opinions on Commission decisions and recommendations. Institutional arrangements did not seem necessary to deal with isolated cases.

31. **Mr. Park Hae-yun** (Republic of Korea) said that his delegation attached great importance to maintaining high standards of efficiency, competence and integrity among the staff of the United Nations and appreciated the positive role of the common system in providing consistency and equality in conditions of service. It also fully supported the International Civil Service Commission, the independence of which needed to be fully protected.

32. His delegation was concerned at the increasing numbers of Secretariat staff members who were resigning, particularly at the lower levels. Together with an age imbalance, with over 50 per cent of new staff members being appointed at over 40 years of age, that state of affairs raised doubts about the effectiveness of the Organization's human resources management. Greater effort should be made to encourage career development and to provide incentives for better performance. His delegation looked forward to the framework for human resources management that was to be submitted by the Commission the following year.

33. His delegation had consistently supported the Noblemaire principle and continued to hold the view that any change in the current methodology should be made only after a thorough review of the attendant administrative, technical and financial implications. His delegation concurred with the recommendation of ICSC on the base/floor adjustment and the margin levels, and supported the social benefit approach to the dependent children's allowance.

34. With reference to the question of post adjustment at Geneva, his delegation noted that some aspects of the problem were outside the mandate of ICSC and felt that the matter should not be pursued further at the present stage.

35. The process of reviewing ICSC should be an integral part of the effort by the General Assembly to maintain the unity and integrity of the common system; his delegation would follow the issue with keen interest.

36. While acknowledging the merit of establishing a mechanism to ensure the legality of the decisions and recommendations of ICSC prior to their implementation, his delegation also shared the concern of the Commission that a new mechanism might result in adding a step to an already long and complex judicial process that would further delay implementation of ICSC decisions and recommendations. That matter should be discussed further.

37. **Mr. Moktefi** (Algeria), referring to the note by the Secretary-General on the review of the International Civil Service Commission (A/54/483), said that in adopting resolution 52/12 B the General Assembly had decided to examine the recommendation of the Secretary-General on the review of ICSC and had requested the competent

intergovernmental bodies to consider the modalities for such a review on the basis of information to be provided by the Secretary-General. In the view of his delegation, that did not require the creation of a review group. In that connection, he pointed out that document A/53/688, referred to in document A/54/483, had not been officially introduced and that the General Assembly and the Committee had therefore not had an opportunity to express a view on the terms of reference of the review group. Similarly, when consideration had begun on the previous day of agenda item 126, nobody had introduced document A/54/483 on behalf of the Secretary-General and it was only because several delegations had objected that the document had now been officially introduced.

38. Concerning the substance of document A/54/483, his delegation wished to point out that there remained some doubt as to the approach to be adopted in any review of ICSC and that the prior agreement of the General Assembly was required. He noted that the document did not contain any analysis of the issues or identify problems. There had been certain efforts in the past to improve the functioning of ICSC and, before any action was taken to address that question again, it was essential that a clear account be given of what had already been done. He questioned whether such a review was desirable, particularly as the members of ICSC were elected by the General Assembly, and it might be more appropriate for the General Assembly to decide whether a review of ICSC was necessary. He also wondered why no proposals had been made for reviews of other United Nations bodies. He asked what the financial implications of the study proposed by the Secretariat were, and how those costs would be met. He also wondered what the logic was of establishing a review group when the General Assembly reaffirmed every year the validity of the current statute of the Commission. Paragraph 6 of document A/54/483 said that a review would help to ensure that the advice received by the General Assembly through ICSC was sound. Yet it was surely for the General Assembly itself to evaluate the advice it received from the Commission.

39. His delegation had not been consulted about the composition of the review group, and he wondered whether all its members had the required competence to undertake such a technical study. He therefore wished to know what criteria had been used for the selection of its membership and to what extent the Member States had been consulted.

40. He wondered also how the functions of the secretariat of the group could be carried out by the Consultative Committee on Administrative Questions since it reported to the Administrative Committee on Coordination which was itself an interested party. Such an arrangement seemed to indicate there might be a conflict of interest and a lack of impartiality. His delegation would prefer any review to be entrusted to an intergovernmental group of experts selected on the basis of equitable geographical distribution.

41. Referring to the terms of reference of the proposed group, he asked whether there had been any specific cases in which the independence, impartiality, efficiency and technical competence of the commission had been in doubt. Past experience of such groups indicated that they had very little impact. He wondered also why other United Nations bodies, for example the Joint Inspection Unit, had not been asked to conduct a review.

42. Turning to the Secretary-General's note on the United Nations common system (A/C.5/54/24), he said that his delegation had reservations on the proposed amendment to the statute of ICSC under which it would be possible for the Commission or participating organizations to seek an opinion from an ad hoc advisory panel concerning decisions and recommendations of the Commission, since it would undermine the credibility and independence of the Commission. Adoption of the proposal would create an obstacle to the implementation of the Commission's recommendations.

43. The creation of an ad hoc advisory panel would also have financial implications and would run counter to efforts to make the common system simpler. The Commission had noted (A/54/30, para. 206) that neither ICSC nor its secretariat had been consulted by ACC or by United Nations system legal advisers on the proposed amendment to its statute and that its decisions were not frequently challenged; indeed, the legal advisers of the United Nations system had identified only four such cases in the past 25 years (para. 210). That being so, his delegation felt that there was no necessity for the proposed new system.

44. **Ms. Achouri** (Tunisia) said that her delegation associated itself fully with the statement by the representative of Algeria. Her delegation had supported the consensus on the reforms proposed by the Secretary-General, although it had not been fully convinced of the need for a review of ICSC. She reaffirmed her delegation's support for ICSC, for its work under its present statute, and for its role in the common system.

45. The General Assembly, in its resolution 52/12 B, had requested the Secretary-General to provide information to the competent intergovernmental bodies to enable them to consider the modalities for a review of ICSC and to report to the General Assembly before the end of its fifty-second

session. She asked the representatives of the Secretary-General to explain why that request had not been complied with.

46. The first paragraph of document A/54/483 referred to an earlier document (A/53/688) which had never been officially introduced before the General Assembly, while document A/54/483 had been submitted so late that delegations had not had time to study it. Moreover, the document was not in accordance with resolution 52/12 B because no information had been submitted to the General Assembly and the document itself provided no justification for establishing a review group. It was therefore by no means clear why the Secretary-General had suggested a review of ICSC, particularly in view of the fact that its mandate and working methods had been considered several times in recent years. It had been stated that Member States had been consulted and had contributed to formulating the Secretary-General's proposal. She asked how that consultation had taken place, since her delegation had not been consulted.

47. Her delegation could accept the proposal to review the Commission on the understanding that neither the statute of ICSC nor the role of the Assembly would be affected. However it appeared from paragraph 6 of document A/54/483 that the Secretary-General's proposal would imply a considerable reduction in the role of ICSC by treating it merely as an advisory body of the General Assembly.

48. She asked what the budgetary implications and source of funding would be, and what the envisioned time-scale was. She also wanted to know what criteria had been used to select the members of the group, who had made the selection, and whether Governments had been consulted. She noted that some of the members of the group already acted as special advisers to the Secretary-General and wondered whether that dual role would create a conflict of interest. Noting also that the Administrative Committee on Coordination and the secretariat of the Consultative Committee on Administrative Questions would be involved in servicing the group, she pointed out that those bodies were interested parties and that their involvement was incompatible with the principle of impartiality.

49. Her delegation supported the comments made by the Commission in paragraph 206 of its report and also the statement by the representative of the United States of America concerning the advisory panels and what had been said by the representative of Algeria concerning the likely impact of the review on the independence and credibility of ICSC. Her delegation also wished to have clarification of the legal status of the amendment to the ICSC statute that had been endorsed by ACC; ACC was an inter-agency body whereas the ICSC statute had been approved by the supreme legislative body of the United Nations, namely the General Assembly.

50. **Mr. Corell** (Under-Secretary-General, The Legal Counsel), referring to statements that neither ICSC nor its secretariat had been consulted by ACC or by the legal advisers before the proposed amendment to the ICSC statute had been put forward, pointed out that the legal advisers had had informal contacts with the ICSC secretariat in 1998 and that in that year the Commission had noted their involvement with satisfaction.

51. While it had been suggested that questions about the legality of ICSC decisions or recommendations should be referred to the legal advisers themselves, the Administrative Tribunals were free to decide as they chose. That being so, the legal advisers had come to the conclusion that it was necessary in some way to involve the Administrative Tribunals and the proposed membership of the ad hoc panel would therefore include a judge of the United Nations Administrative Tribunal and a judge of the ILO Administrative Tribunal. The legal advisers had felt an advisory opinion from such a panel would carry considerable weight with the Tribunals. He acknowledged that not many decisions by the Commission had been overturned on appeal by the Administrative Tribunals but the important factor was not the number of decisions that had been overturned but the cost involved. By way of example, he referred to a judgement of the ILO Administrative Tribunal in favour of a number of General Service staff members of FAO in which the Tribunal had held that the phasing out of a language factor was contrary to the Flemming principle and therefore illegal. The additional costs to FAO for retroactive salary adjustments in order to comply with the judgement had been in the order of $4.5 million and additional costs in the present biennium were estimated at $5.1 million.

52. The legal advisers had considered the issues extremely carefully. He urged the Committee to give their proposal its full consideration, pointing out that the budgetary implications of the decision to establish an ad hoc advisory panel would be slight as it could discharge its functions expeditiously.

53. **Mr. Fareed** (Director, Office for Inter-Agency Affairs) said that the proposal put forward by the Secretary-General called for the review group to assist the General Assembly in examining the functioning of ICSC. It was not intended that there should be a backward-

looking investigation into the previous workings of the Commission.

54. It had to be borne in mind that the world was changing rapidly and that affected the organs of the United Nations system. The question was whether changes to ICSC's way of working would help the Commission to respond more effectively to the challenges that lay ahead. The common system itself was also a factor. The objective was to protect the integrity of the common system, which a number of organizations wished to leave. It was hoped that the review would have the effect of strengthening the common system and of strengthening ICSC itself if the General Assembly felt that that was necessary.

55. Regarding the financial implications, under the present proposal there would be little cost as the people involved had agreed to work pro bono. Moreover, the organizations of the common system that supported the review would bear any costs involved.

56. **Mr. Bel Hadj Amor** (Chairman of the International Civil Service Commission) said that he would be making a more extensive reply later in writing but that certain possible misunderstandings needed to be cleared up.

57. It had been said that ICSC had been consulted concerning the advisory panel. He assured the Committee that no consultation had taken place as to the desirability of establishing such a panel even though the matter had been considered for several years by the informal group of legal advisers. ICSC had been officially informed only when the document on the subject had been prepared. In his view, consultation should have taken place as soon as the idea had been suggested.

58. It had also been suggested that ICSC had expressed satisfaction at the involvement of the legal advisers in developing the idea of the advisory panel. However, the Commission had no need of such a body since it would not propose decisions that might not be legal to the General Assembly.

59. **Mr. Moktefi** (Algeria) said that the comments made by the Director of the Office for Inter-Agency Affairs had not provided any clarification of the matter.

60. **Ms. Achouri** (Tunisia) seconded the comment by the representative of Algeria and said that her delegation expected full and detailed answers to the important questions that had been raised, in particular by her delegation, to be provided in writing by both the Director and the Legal Counsel.

61. **The Chairman**, in accordance with General Assembly resolution 35/213 and the decision taken by the Committee at its 14th meeting, invited the President of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA) and the President of the Federation of International Civil Servants' Associations (FICSA) to make statements.

62. **Ms. Madarshahi** (Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA)) said that the Organization's financial crisis and the changing global environment directly affected the conditions of service, calibre and performance of its staff. Job security, which was the backbone of the independence of the international civil service, was being challenged as the Organization downsized and undermined staff entitlements and career development. The Secretary-General's reform initiatives had left largely unaddressed the concept of the international civil service — the very underpinning of the Organization. To meet the challenges of the next century, it was necessary to respect and uphold the Noblemaire and Flemming principles governing the conditions of service of staff.

63. The most recent revisions of the methodology for calculating General Service salaries had seemed particularly designed to erode purchasing power and to extend a salary freeze well into the next millennium, as shown by the salary reductions to be effected for General Service staff in Paris, which would amount to 6.44 per cent over the next five years. The requirement, under the revised methodology, that the public sector should be represented by at least 25 per cent of the employers surveyed was a violation of the Flemming principle, since not all national civil services accurately reflected the best prevailing local conditions. In the case of the Paris salary survey, public-sector employers had represented 40 per cent of the employers retained.

64. With respect to the low level of the margin for Professional salaries and the proposal to recommend a differentiated salary increase (A/54/30, para. 39), CCISUA recommended that all staff should receive a certain minimum increase, if and when that proposal was implemented, to enable the organizations to avoid a further erosion of competitiveness. The need for transparency in the application of the methodology for margin calculations should also be addressed, to avoid the perception that a continuous delay in post and cost-of-living adjustments could place United Nations salaries far below the mid-point of the margin range. Moreover, it was time for ICSC to deal with the fact that the United States federal civil service was no longer the proper comparator, even though that reality had not been accepted for technical or political

reasons. The resulting adjustments would help to restore the competitiveness of the Organization's conditions of service, which was an integral part of any reform process. Such a change not only would benefit the staff, but also would obviate the alleged need to supplement the salaries and benefits of the nationals of some countries.

65. In response to the General Assembly's call for a career development policy, many organizations of the system had hastily implemented policies that lacked forward-looking strategies for human development. Consequently, career development had been replaced by career management implemented by individual staff members. Training had little apparent impact on professional advancement and the staff had little confidence in the current performance appraisal system, which did not provide the means for meaningful performance evaluation. The current practice of dispersed and often individualized career management did not promote a culture of creativity or give United Nations staff the sense that they were working for a higher purpose. The imposition of undemocratic and old-fashioned codes of conduct limited the skills development of international civil servants by isolating them from the outside world. Interactive peer exchanges, ongoing training and constant awareness of developments in different fields should be part of career development. The unexplained variety of contractual arrangements had given rise to an unnecessary anxiety and differentiation of status among contract holders. The lack of upward mobility and the absence of linkages among the programmes and specialized organs had drained the idealism and compromised the convictions of staff seeking to progress to higher positions.

66. The safety of staff in conflict areas was an issue of grave concern. In the last seven years, nearly 200 United Nations staff members had been killed, about 50 had been detained and about 50 had suffered human rights violations such as rape. Nonetheless, more than 150 Member States had not yet ratified the 1994 Convention on the Safety of United Nations and Associated Personnel, which had come into force in January 1999. CCISUA also called on Member States to sign and ratify the Rome Statute of the International Criminal Court, which made it a war crime to attack personnel involved in a humanitarian assistance or peacekeeping mission in accordance with the Charter of the United Nations. Since the real value of any agreement lay in its implementation, Governments must live up to their commitments. In so doing, they must ensure that locally recruited staff, whose contribution to the Organization was just as important as that of international staff, were fully covered by the relevant legal instruments and safeguards.

67. In March 1999 CCISUA had decided to resume its participation in the deliberations of ICSC. Accordingly, it had participated in the Commission's forty-ninth and fiftieth sessions and had contributed to the work of the Working Groups on the framework for human resources management and on draft standards of conduct for the international civil service. CCISUA wished to dissociate itself from the views expressed in paragraphs 135 to 147 of the Commission's report (A/54/30), in the context of which a new shift of paradigm had been mapped out for the Organization.

68. **Mr. Grandjean** (Federation of International Civil Servants' Associations (FICSA)) said that the necessary reform of the decision-making structures of the common system would begin with the presentation by the Secretary-General, at the current session, of the results of his efforts to establish the review group described in document A/53/688. The specific procedures and objectives of the group must be defined. Staff participation in that process was vital, since reforms would not work unless they were internalized and energized by the staff. FICSA trusted that all the parties concerned would support the work of the group, which should enable the Organization to take innovative and visionary approaches that would forestall problems instead of simply addressing them after they arose. In that process, the staff must be recognized as full participants and their views must be respected and taken fully into account.

69. At the most recent International Labour Conference, the President of the United States of America had welcomed the adoption of the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work as a means of affirming the dignity of work, the need to end discrimination and forced labour and the need to uphold the right to collective bargaining, which were not only labour rights, but also human rights. It was high time that the basic rights recognized for national civil services and enshrined in ILO Conventions No. 98 and No. 154 should be recognized, with appropriate adjustments, for the international civil service, since it was unthinkable that ILO and the international financial institutions should fail to apply internally the basic rules they would like to see implemented internationally.

70. Salaries in the Professional and higher categories were uncompetitive, not only with the private sector, but also with the foreign services of industrialized countries, other international organizations and the German federal

civil service. On the occasion of the fiftieth session of ICSC the Under-Secretary-General for Management had endorsed the idea that restoring competitiveness in conditions of service was an integral part of any reform process. General Service salaries were deteriorating rapidly and without justification. Instead of being an exemplary employer the United Nations system was becoming an unattractive place to work. Decision makers applied ad hoc solutions that ignored the requirements of Article 101 of the Charter and, in some cases, the rules applicable to the common system. The results of the recent salary survey in Paris were of questionable validity, and a similar problem was likely to arise concerning the methodology for the place-to-place surveys to be conducted in the year 2000. The veil of mystery surrounding existing mechanisms must be lifted and a policy of systematic transparency must be adopted to guarantee equity and uniformity in the common system.

71. The compensation of staff serving in the field varied according to the decisions taken by local field administrators. That practice was particularly unfair in view of the dangers faced by field staff. Locally recruited staff accounted for more than 95 per cent of the civil servants who had been murdered or detained, and continued to be subjected to unacceptable discrimination. They were systematically abandoned to their fate in crisis situations, while international staff were evacuated. Moreover, persons suspected or accused of having committed crimes against United Nations staff continued to enjoy total impunity. Member States must take concrete measures to ensure the safety and security of all civil servants, whether internationally or locally recruited, and must ensure that all perpetrators of crimes against civil servants were tried before the International Criminal Court.

72. The standards of conduct for United Nations staff were intended to promote ethical conduct at the individual and organizational levels. The best way to ensure that international civil servants upheld ethical principles and values was to take an integrated approach that balanced the responsibility of staff and the obligations of the employing organization towards the staff. The Working Group on draft standards of conduct must reach consensus on a number of key elements: standards should be integrity-based rather than compliance-based; the code of conduct should be separate from the Staff Rules and Regulations; the fundamental labour rights of international civil servants should be spelled out; the obligations of the Administrations and Member States should be included in the text; the core values and principles should be decided upon by consensus; strategies for providing training and guidance on workplace ethics should be identified; and the legal status of the code of conduct should be defined.

Agenda item 127: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (A/54/393)

73. **Mr. Paschke** (Under-Secretary-General for Internal Oversight Services) introduced the report on the activities of the Office of Internal Oversight Services (OIOS) during the period from 1 July 1998 to 30 June 1999, contained in document A/54/393. The preface to the report provided an overview of the first five years of the Office's operation. He was pleased that the Secretary-General, in his note of transmittal, had indicated his agreement with the observation that the Office's independence had never been compromised. The fact that the Under-Secretary-General had served a predictable, non-extendable, non-renewable term of office had been an essential element of that independence, along with the freedom to select the issues and objects of oversight and the opportunity to address his reports, through the Secretary-General, to the General Assembly.

74. The task of making the Office an effective internal oversight mechanism in an international and multicultural bureaucracy that had not been accustomed to that type of scrutiny for almost five decades had not been easy. Fears and misperceptions about the Office had been strong and stubborn at first, but the various constituents, stakeholders and clients had become convinced that the Office was a partner rather than a threat to management and had come to appreciate its efforts to be proactive rather than to seek retribution. Its advice was actively sought by programme managers.

75. He was pleased that OIOS had become an agent for change in the United Nations, particularly in the areas of strengthened internal controls and improved management performance. Moreover, OIOS had become a catalyst for increased attention to and strengthening of similar functions throughout the United Nations system. Cooperation and coordination with the external Board of Auditors and with the Joint Inspection Unit had been fruitful and regular. OIOS had become a part of the new management culture of the United Nations.

76. During the five years of his tenure, cost savings and recoveries resulting from actions of OIOS had totalled more than $70 million, with annual amounts saved or recovered rising from $4 million in the period covered in his Office's first report to $23.5 million in the current

reporting period. Those figures represented savings and recoveries actually realized, but total savings and recoveries identified and recommended by OIOS stood at $120 million. While those figures were impressive, more important was the role of OIOS in facilitating managerial reform within the United Nations, which was reflected by the 6,000 recommendations issued over the past five years. Contrary to media reports, only about 5 per cent of those recommendations had concerned fraud or misconduct, the remainder being directed at enhancing the operational effectiveness and efficiency of the Organization and increasing management control. He was particularly satisfied at the high and improving rate of implementation of OIOS recommendations.

77. OIOS activities in the priority areas for oversight were described in chapter II of the report. With respect to peacekeeping, he highlighted the work of OIOS in enhancing the operation of the United Nations Logistics Base at Brindisi, its programme evaluation activities, its audits of mission liquidations, and its efforts to improve the lessons learned process. Regarding humanitarian activities, he drew attention to the recent audit of the Office of the United Nations High Commissioner for Refugees (UNHCR) and the updating of the memorandum of understanding between OIOS and UNHCR. The UNHCR Audit Section of OIOS had become stronger and more field-oriented, employing several resident auditors, including in Kosovo and East Timor.

78. OIOS had made 59 recommendations on procurement. The areas under scrutiny had included procurement-related arbitration cases, management of service and ration contracts, and aviation services. OIOS activities in the field of human resources management illustrated the importance attached by his Office to the aim of assisting managers. In recent years, OIOS had devoted increasing attention to the use of information technology, and during the current reporting period had reviewed the Organization's management of the year 2000 computer problem both at Headquarters and offices away from Headquarters.

79. Chapter III provided a summary of the major activities of OIOS by oversight function. It drew attention to a number of important audits and investigations and highlighted the major activities in the areas of monitoring, inspection and evaluation.

80. He paid tribute to the dedication and professionalism of the staff of OIOS, and expressed pride at having been chosen to serve the United Nations, which would have a vital role to play in grappling with the challenges of the next millennium.

81. **Ms. Korpi** (Finland), speaking on behalf of the European Union and the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia, said that much had been achieved during the five-year tenure of the Under-Secretary-General for Internal Oversight Services. OIOS had reshaped the Organization's management culture, acting as an engine of the ongoing reform process. The Office had gained the confidence of management and staff, and its input was increasingly being sought with a view to improving managerial performance. The number of reports issued had grown steadily, and there was a high compliance rate with OIOS recommendations.

82. The European Union attached great importance to the operational independence of OIOS. The authority delegated to the Under-Secretary-General over the Office's personnel and other resources, and his appointment by the Secretary-General for a non-extendable, non-renewable term of office, were essential components of that independence. It was also important that the Office should have the freedom to select oversight objects and that it should report on its findings, through the Secretary-General, to the General Assembly.

83. The European Union was pleased to note that OIOS had been a catalyst for the strengthening of the oversight units in the specialized agencies and funds and programmes. It also welcomed the Office's cooperation with the Board of Auditors and the Joint Inspection Unit. The exchange of information and results would enhance the complementarity of the internal and external oversight bodies, which had separate and distinct roles to play.

84. **Mr. Gjesdal** (Norway) said that Norway supported the proposed budget increases in the area of internal oversight because, while internal oversight was not a priority activity, it was a tool for enhancing management and thereby the delivery of priority programmes. During his five-year tenure, the Under-Secretary-General had recognized that OIOS must play a proactive as well as a deterrent role, and, with the support of the senior management, the Office had become a vehicle for promoting positive change. OIOS had made more than 6,000 recommendations and an impressive implementation rate had been achieved.

85. His delegation noted the Under-Secretary-General's view, expressed in the preface to the report, that, while the United Nations was a better managed organization than five years ago, further improvement was necessary. It

shared his concerns, particularly with regard to the discrepancy between the world community's expectations of the United Nations and the meagre resources it made available to it. A policy of zero nominal growth would inevitably lead to downsizing of the institutional capacity of the Organization at a time when globalization was placing new demands on the international intergovernmental system.

86. Norway welcomed the signing of a new memorandum of understanding between OIOS and UNHCR, which would strengthen the UNHCR Audit Section of OIOS, rendering it more operationally effective. The establishment by OIOS of two resident auditor positions in Abidjan and Nairobi, in response to the decentralization of UNHCR activities, was a useful initiative that might be applied in other regions.

87. OIOS had drawn attention in several reports to the need to establish a comprehensive indexed archive of mission standard operating procedures that could be placed on the Department of Peacekeeping Operations Intranet for the use of missions. It was disappointing that that most basic depository of past experience had yet to be created. His delegation was also concerned that OIOS recommendations aimed at improving financial controls and accountability in the operation of the International Criminal Tribunal for Rwanda had not been fully implemented.

88. Three previous annual reports of OIOS had yet to be adopted by the Committee, although they had been thoroughly discussed and commented upon. It was to be hoped that the Committee could agree to take note of the current annual report, as well as of its predecessors.

89. **Mr. Sial** (Pakistan) said that his delegation attached great importance to the role of OIOS. The functions attributed to the Office by General Assembly resolution 48/218 B should be performed in a balanced manner. His delegation considered, however, that the audit function had been overemphasized. The Office should also give due regard to evaluation and monitoring of programmes with a view to ensuring effective programme delivery and implementation of legislative mandates. His delegation was also concerned that a number of recommendations made by OIOS during the current reporting period had not complied fully with the regulations and rules of the United Nations and the decisions of the General Assembly. Indeed, the Committee for Programme and Coordination had been forced to set aside or substantially change some of the Office's recommendations. In future, it should look carefully at the regulations and rules of the United Nations and the relevant decisions of the General Assembly before finalizing its recommendations.

90. His delegation would like more information regarding the selection process for police officers. The assertion in paragraph 22 of the report of OIOS (A/54/393) that International Police Task Force monitors in the United Nations Mission in Bosnia and Herzegovina had cheated on the language test in their respective countries was unsubstantiated and therefore unacceptable. There was, however, a need to ensure that the tests were conducted properly so that the question of repatriation of police officers would not arise.

91. OIOS had recommended that the United Nations Observer Mission in Angola should seek reimbursement from the Government of the host country of a sum of $13 million paid directly to various landlords for the rental of facilities, and that, failing recovery of that amount, it should be offset against any claims presented by the Government. His delegation wished to know under which regulation or rule the proposed action could be deemed admissible. Instead of attempting to recover the amount from the Government, it would be more appropriate to investigate the reasons for the direct payments to landlords by United Nations staff in apparent contravention of the agreement with the host country. The recommendations could have far-reaching implications, and the issue should therefore be thoroughly analysed before any action was taken.

92. He requested clarification regarding the procedure for the implementation of OIOS recommendations. The Office had recommended the reassignment of a legal adviser to the Registrar of the International Criminal Tribunal for Rwanda because of his involvement in the exchange of private funds with defence counsel, yet a panel established by the Registrar had exonerated him. Other recommendations calling for disciplinary measures against staff members had proven to be based on inaccurate or incomplete information, but had been implemented without prior scrutiny by a panel. He also wished to know whether the new administrative instruction on the employment of retirees had been issued, and, if so, whether it took account of General Assembly resolution 53/221.

93. With respect to the preface to the report, he said that his delegation failed to understand the Under-Secretary-General's concern at the overly critical attitude of Member States towards the United Nations bureaucracy, which, it was claimed, had resulted in numerous examples of micromanagement by the legislative organs. The role of the General Assembly in the management of the Organization

was clearly set out in the Charter of the United Nations, and no attempt should be made to undermine it, particularly since it was Member States that provided the Organization's resources. His delegation was also deeply concerned at remarks attributed to the Under-Secretary-General in a recent report on a Web site and in the press to the effect that the Secretary-General's efforts were being stymied by the legislative bodies and that the Fifth Committee paid only lip service to the process of reform. If the report was correct, the Under-Secretary-General should inform the Committee of the justification for those remarks.

94. His delegation appreciated the cost savings and recoveries resulting from actions of OIOS. It wished to know, however, whether those amounts were reflected in the budget performance reports, which had not been the case in the past.

95. **Mr. Jaremczuk** (Poland) said that independent internal oversight was a crucial new element in the managerial culture of the United Nations, and that Poland therefore strongly supported the work of OIOS. During the five years since its inception, the Office had contributed to heightened fiscal awareness among the Organization's staff, stricter observance of United Nations regulations and rules, the elimination of irregularities and wrongdoing, and the enhancement of the decision-making process through self-evaluation.

96. His delegation was encouraged by the high and increasing implementation rate of OIOS recommendations, which testified to the growing effectiveness of the Office's performance. It was also pleased to note that cost savings and recoveries resulting from actions of OIOS had increased substantially in several categories. However, the rate of recovery of fraudulent amounts remained critically low. His delegation was concerned that certain units did not always respond promptly and adequately to OIOS recommendations.

97. While there had been some improvement in the overall financial and managerial performance of the majority of the units audited during the current reporting period, substantial irregularities had been uncovered. His delegation expected that remedial action would be taken without further delay in order to eliminate situations detrimental to the Organization.

The meeting rose at 1.10 p.m.